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VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Office of Managing Director
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

Attn: Wireline Competition Bureau

**Re: USCOC of Virginia RSA #3, Inc., USCOC of Virginia RSA #2,
Inc., Virginia RSA #4, Inc., Virginia RSA #7, Inc. Ohio State
Cellular Telephone Company, Inc. and Charlottesville Cellular
Partnership
Petition for Designation as an Eligible Telecommunications
Carrier in the Commonwealth of Virginia
CC Docket No. 96-45**

Dear Madam Secretary:

USCOC of Virginia RSA #3, Inc., USCOC of Virginia RSA #2, Inc., Virginia RSA #4, Inc., Virginia RSA #7, Inc. Ohio State Cellular Telephone Company, Inc. and Charlottesville Cellular Partnership (collectively, "U.S. Cellular"), in response to an inquiry from Wireline Competition Bureau Staff, hereby further amends its above-referenced petition for ETC status in the Commonwealth of Virginia¹ to remove

¹ USCOC of Virginia RSA #3, Inc., USCOC of Virginia RSA #2, Inc., Virginia RSA #4, Inc., Virginia RSA #7, Inc. Ohio State Cellular Telephone Company, Inc. and Charlottesville Cellular Partnership, Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, CC Docket No. 96-45 (filed April 13, 2004) ("Petition"), amended Nov. 4, 2005. *See Parties are Invited to Comment on Petitions for Eligible Telecommunications Carrier Designations*, Public Notice, DA 04-1445 (rel. May 21, 2004) ("Public Notice").

certain wire centers from the proposed ETC service area and to provide a modified population density analysis consistent with the Commission's recent decisions.² Specifically, U.S. Cellular proposes to remove the Collinsville and Pocahontas wire centers from its proposed ETC service area in Virginia. In the alternative, should the FCC conclude that cream-skimming concerns remain, U.S. Cellular proposes that the Tazewell wire center be removed from its proposed ETC service area in addition to the Collinsville and Pocahontas wire centers. As set forth below, U.S. Cellular submits that either alternative will negate any cream-skimming concerns that may exist at this time.

Alternative A: Removal of Collinsville and Pocahontas Wire Centers

Staff has expressed its concern that the average population density of the Central Telephone Company of Virginia ("Centel") and Verizon South, Inc. ("Verizon South") wire centers covered by U.S. Cellular's proposed ETC service area is greater than the average population density of the remaining wire centers in each study area. In the Centel study area, the average of the wire centers inside U.S. Cellular's proposed ETC service area was 97.19 versus 63.98 for the remaining Centel wire centers. In the Verizon South study area, the average of the wire centers inside U.S. Cellular's proposed ETC service area was 79.15 versus 64.06 for the remaining Verizon South wire centers. After reviewing the data associated with those areas, U.S. Cellular hereby proposes to remove the following wire centers from its Petition:

Central Tel. Co. of Virginia:

Collinsville (CLVLVAXA)

Verizon South Inc.:

Pocahontas (PCHNVAXA)

With the removal of the Collinsville wire center, the average population density for the Centel wire centers inside U.S. Cellular's proposed ETC service area is 76.92, while the average population density of the remaining wire centers is 100.68. Because the average population density inside the proposed ETC service area is substantially lower than the average for the remaining Centel wire centers – and thus costs are presumed higher in the portions within the proposed ETC service

² See, e.g., *Federal-State Joint Board on Universal Service, Report and Order*, 20 FCC Rcd 6371 (2005), *recon. pending* ("ETC Report and Order"); *Virginia Cellular, LLC*, 19 FCC Rcd 1563 (2004), *recon. pending* ("Virginia Cellular"); *Highland Cellular, Inc.*, 19 FCC Rcd 6422 (2004), *recon. pending* ("Highland Cellular").

area – there is no risk of cream-skimming associated with U.S. Cellular’s designation in the requested portions of Centel’s study area.³

In the Verizon South study area, the removal of the Pocahontas wire center will result in the average population density of the Verizon South wire centers inside U.S. Cellular’s proposed ETC area (72.23) being slightly higher than the average for the remaining Verizon South wire centers (67.64). However, this difference is not large enough to suggest the kind of cost disparity that would prompt cream-skimming concerns under the FCC’s analysis. For example, in the Virginia Cellular order, the Commission concluded that cream-skimming was not a concern where the average population density of a certain ILEC’s wire centers inside the proposed ETC service area was 2.30 persons per square mile while the average for the remaining wire centers was 2.18. In that case, the ratio of average population density inside to outside was 1.06 to 1. In the instant case, with the deletion of the Pocahontas wire center, the ratio would be 1.07 to 1. U.S. Cellular submits that there is no material difference between the slight disparity in population density under this option compared to the example from Virginia Cellular described herein. Accordingly, U.S. Cellular requests that the FCC make a finding that U.S. Cellular’s designation will not create a risk of cream-skimming in those areas.

Alternative B: Removal of Collinsville, Pocahontas, and Tazewell Wire Centers

As discussed above, U.S. Cellular believes the removal of the two wire centers listed in Alternative A eliminates cream-skimming concerns. Nonetheless, U.S. Cellular recognizes the possibility that the Commission may be concerned about a risk of cream-skimming resulting from the average population density of the Verizon South wire centers inside U.S. Cellular’s proposed ETC service area being slightly higher than the average population density of the remaining Verizon South wire centers. Therefore, U.S. Cellular proposes, in the alternative, the removal of the Tazewell wire center as well. Under Alternative B, therefore, three wire centers would be removed:

Central Tel. Co. of Virginia:

Collinsville (CLVLVAXA)

Verizon South Inc.:

Pocahontas (PCHNVAXA)
Tazewell (TZWLVAXA)

³ See *Virginia Cellular*, 19 FCC Red at 1578-79.

With the removal of the Tazewell and Pocahontas wire centers, the average population density for the Verizon South wire centers inside U.S. Cellular's proposed ETC service area is 59.36, while the average population density of the remaining wire centers is 70.40. Because the average population density of the Verizon South wire centers inside the proposed ETC service area is substantially lower than the average for the remaining Verizon South wire centers, U.S. Cellular's designation in the requested portions of Verizon South's study area will not result in cream-skimming.⁴

Under either Alternative A or B set forth above, U.S. Cellular submits that its designation will not result in cream-skimming in any of the rural ILEC areas in question. U.S. Cellular offers Alternative A as its preferred proposal – preserving the Tazewell wire center would, for example, permit qualifying low-income consumers in that wire center to benefit from Lifeline discounts on U.S. Cellular's service – but U.S. Cellular will accept Alternative B should the Commission find that Alternative A does not sufficiently address cream-skimming concerns. For the Commission's information, U.S. Cellular attaches revised exhibits setting forth population density calculations under both alternatives described above.

We trust this will provide information that is useful to you. Should any questions arise, please contact undersigned counsel directly.

Respectfully submitted,

USCOC OF VIRGINIA RSA #3, INC., USCOC OF
VIRGINIA RSA #2, INC., VIRGINIA RSA #4, INC.,
VIRGINIA RSA #7, INC. OHIO STATE CELLULAR
TELEPHONE COMPANY, INC. AND
CHARLOTTESVILLE CELLULAR
PARTNERSHIP



⁴ See *Advantage Cellular*, 19 FCC Rcd 20985, 20994 (2004) (“The average population density for the Bledsoe wire centers for which we grant Advantage Cellular ETC designation is 24 persons per square mile and the average population density for Bledsoe's remaining wire centers is 35 persons per square mile. Because the Bledsoe wire centers that Advantage Cellular can serve have a lower population density, and therefore probably higher costs than the remaining wire centers, we conclude that ETC designation will not result in creamskimming.”)(footnote omitted.)

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